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Attorneys for Defendants Mathewson  
and KBM Seattle, LLC

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

MID-CENTURY INSURANCE COMPANY, )

Plaintiff, )

vs. )

KBM SEATTLE, LLC; KEITH B.  
MATHEWSON; SALLY MATHEWSON;  
and MICHAEL YOUNG, )

Defendants. )

No. 2:19-cv-1572

DECLARATION OF KEITH  
MATHEWSON

KEITH MATHEWSON declares as follows:

1. I am over the age of 18 years and the following statements are made from my personal knowledge. I am competent to testify to the facts set forth in this Declaration.

2. I am the sole member of KBM Seattle Limited Liability Company. (KBM) Attached as Exhibit A is the KBM information on record with the Washington State. KBM was formed on November 9, 2006 and has been doing business since that time.<sup>1</sup>

3. Over the last few years KBM has operated solely as a real estate rental company that I personally manage. There are no employees besides me.

<sup>1</sup> One oddity with the Mid-Century insurance that was obtained for me is the declaration page listed KBM LLC as the policyholder. There has never been a KBM LLC only a KBM Seattle LLC.

1           4.       KBM leases out space at locations on West Marginal Way and Delridge Way  
2 in Seattle. My insurance agent of ten plus years is Dale Gilbertson. I started working with  
3 Dale around 2008. Dale obtained insurance for a prior business I operated at the West  
4 Marginal Way location called Seattle Fine Woodworking. Seattle Fine Woodworking ceased  
5 operations around 2014 and from that point on the Marginal Way location became part of  
6 KBM leasing activities.

7           5.       Every year I would discuss my insurance needs with Dale Gilbertson. Dale  
8 has been a Farmer's agent for 20 years. Dale knew KBM was in the business of leasing space  
9 at both the West Marginal Way and Delridge locations in 2014. We discussed insurance  
10 needs every year with each new policy. KBM is listed as having the West Marginal address  
11 as its principal office with the secretary of state. Further, when I paid the insurance premiums  
12 for the KBM policy at issue, the address on the check on at least on one occasion was the  
13 West Marginal Way address. (Exhibit B) Finally, about a year before the Young incident  
14 which led to the King County lawsuit, I had a discussion with Dale about a trailer loss at the  
15 West Marginal Way property. The trailer was used as a maintenance trailer at both the  
16 Delridge and West Marginal Way locations. Dale told me the loss was not covered only  
17 because it was in the parking lot and not inside the West Marginal way building. Dale never  
18 told me before the Young accident that the Marginal Way property was not covered.

19          6.       I relied on Dale to provide full Business Liability Coverage for KBM which  
20 only rents out space at these two locations. It would make no sense for me to get coverage  
21 for space KBM was leasing at Delridge and not West Marginal way. I expected if KBM were  
22 sued for some type of injury related to its business there would be coverage.

23          7.       The Delridge and West Marginal way properties are part of one singular  
24 operation. Although KBM leases space to different tenants who operate different businesses  
25 at the Delridge and West Marginal Way locations, KBM's business as lessor is the same. I  
26 store materials and supplies used to maintain the Marginal Way building at the Delridge

DECLARATION OF KEITH MATHEWSON - 2

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1 property and vice versa. KBM owns equipment used to maintain both locations. As stated, a  
2 maintenance trailer goes back and forth between locations. The accounting and banking for  
3 Delridge and Marginal Way are the same as both locations are part of one single KBM rental  
4 operation.

5 8. I am not an expert in insurance by any means. I relied on Dale Gilbertson's  
6 expertise. I understood the insurance policy at issue covered general liability claims not  
7 simply premises liability claims. My reading of the **Businessowners Liability Coverage**  
8 **Form** indicated to me that I was covered for any injury (occurrence) taking place during the  
9 policy period in the "covered territory" which I read as anywhere in the United States. I did  
10 not read the Designated Premises Endorsement as limiting coverage to one specific location.

11 9. The DPE form has nothing listed under **Premises**. (Exhibit C) There is nothing  
12 listed directly under **Project**. The added language on the page that references the Business  
13 Owners Liability Coverage Form references premises shown in a "Schedule". At the top of  
14 the page nothing is listed under Schedule. However, the word "Schedule\*" contains and there  
15 is a footnote. The footnote is confusing. It refers to information required to complete the  
16 schedule; I didn't think there was any information required to complete any schedule. This  
17 form did not communicate limitation of liability coverage to me to a specific location. Even  
18 reading this now it is not clear to me what "declarations" the footnote is referring to.

19 10. In the Young lawsuit currently pending in King County Superior Court, KBM  
20 and I have been sued for millions of dollars over an alleged brain injury. I'm being defended  
21 by Michael Thompson of the Mix Sanders Law Firm. Mr. Thompson has been retained to  
22 defend me under reservations of rights by Liberty Mutual. Following Mr. Thompson's tender  
23 Mid-Century Insurance hired a second attorney to defend me under a reservation of rights. I  
24 have not been notified by that Mid-Century lawyer that I would be responsible for his fees or  
25 advised what they are at this point. What KBM and I need is insurance coverage for an  
26 upcoming mediation, not necessarily a duplicative defense. I resent the fact that Mid-Century

DECLARATION OF KEITH MATHEWSON - 3

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1 is asking me to pay for the lawyer they hired to defend me as it withdraws the defense. They  
2 easily could have just paid half of Mr. Thompson's fees.

3 I declare under penalty of perjury under the laws of the state of Washington that the  
4 foregoing is true and correct to the best of my knowledge.

5 DATED this 30<sup>th</sup> day of December, 2019, in Seattle, Washington.

6  
7 /s/ Keith Mathewson  
8 KEITH MATHEWSON  
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DECLARATION OF KEITH MATHEWSON - 4

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# Corporations and Charities Filing System



## BUSINESS INFORMATION

Business Name:

KBM SEATTLE LIMITED LIABILITY COMPANY

UBI Number:

602 667 465

Business Type:

WA LIMITED LIABILITY COMPANY

Business Status:

ACTIVE

Principal Office Street Address:

4841 W MARGINAL WAY SW, SEATTLE, WA, 98106-1516, UNITED STATES

Principal Office Mailing Address:

4841 W MARGINAL WAY SW, SEATTLE, WA, 98106-1516, UNITED STATES

Expiration Date:

11/30/2020

Jurisdiction:

UNITED STATES, WASHINGTON

Formation/ Registration Date:

11/09/2006

Period of Duration:

PERPETUAL

Inactive Date:

Nature of Business:

OTHER SERVICES

## REGISTERED AGENT INFORMATION

Registered Agent Name:

CATHERINE MATHEWSON

Street Address:

4841 W MARGINAL WAY SW, SEATTLE, WA, 98106-1516, UNITED STATES

Mailing Address:

PO BOX 7663, TACOMA, WA, 98417-0663, UNITED STATES

## GOVERNORS

Title	Governors Type	Entity Name	First Name	Last Name
GOVERNOR	INDIVIDUAL		KEITH	MATHEWSON

[Back](#)[Filing History](#)[Name History](#)[Print](#)[Return to Business Search](#)

**KRM SEATTLE, LLC**  
4841 W. MARGINAL WAY SW  
SEATTLE, WA 98106-1516

**BECU**  
P.O. BOX 97050  
SEATTLE, WA 98124  
19-8140/3250

**3503**

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_ DOLLARS

MEMO

AUTHORIZED SIGNATURE \_\_\_\_\_

Security Features Included Details on Back

D.Gilb\_000065

Print

<https://us-mg5.mail.yahoo.com/neo/launch?.rand=b1md8rl4p39ii#175>.

**Subject:** CHECK PAYMENT

**From:** kbmseattle@comcast.net (kbmseattle@comcast.net)

**To:** RHISDALE@YAHOO.COM;

**Date:** Friday, October 31, 2014 11:41 AM

Dale,  
Attached is the check image for reinstating our automatic monthly payment for KBM's insurance. If you need to get in touch with me my number is 253-906-7562.

Thanks,  
Catherine

Set up  
Auto  
With Dale



POLICY NUMBER: 60488-77-40

BUSINESSOWNERS

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LIMITATION OF COVERAGE TO DESIGNATED  
PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

**SCHEDULE\***

**Premises:**

**Project:**

The following is added to the Businessowners Liability Coverage Form:

This insurance applies only to "bodily injury," "property damage," "personal injury," "advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.